

Frederick Engels

Introduction to Karl Marx's

Wage Labor and Capital

(1847)



on its re-publication in 1891

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This pamphlet first appeared in the form of a series of leading articles in the *Neue Rheinische Zeitung*, beginning on April 4th, 1849. The text is made up of from lectures delivered by Marx before the German Workingmen's Club of Brussels in 1847. The series was never completed. The promise "to be continued", at the end of the editorial in Number 269 of the newspaper, remained unfulfilled in consequence of the precipitous events of that time: the invasion of Hungary by the Russians, and the uprisings in Dresden, Iserlohn, Elberfeld, the Palatinate, and in Baden, which led to the suppression of the paper on May 19th, 1849. And among the papers left by Marx no manuscript of any continuation of these articles has been found.

"Wage-Labor and Capital" has appeared as an independent publication in several editions, the last of which was issued by the Swiss Co-operative Printing Association, in Hottingen-Zurich, in 1884. Hitherto, the several editions have contained the exact wording of the original articles. But since at least 10,000 copies of the present edition are to be circulated as a propaganda tract, the question necessarily forced itself upon me, **would Marx himself, under these circumstance, have approved of an unaltered literal reproduction of the original?**

Marx, in the '40s, had not yet completed his criticism of political economy. This was not done until toward the end of the fifties. Consequently, such of his writings as were published before the first installment of his *Critique of Political Economy* was finished, deviate in some points from those written after 1859, and contain expressions and whole sentences which, viewed from the standpoint of his later writings, appear inexact, and even incorrect. Now, it goes without saying that in ordinary editions, intended for the public in general, this earlier standpoint, as a part of the intellectual development of the author, has its place; that the author as well as the public, has an indisputable right to an unaltered reprint of these older writings. In such a case, I would not have dreamed of changing a single word in it. But it is otherwise when the edition is destined almost exclusively for the purpose of propaganda. In such a case, Marx himself would unquestionably have brought the old work, dating from 1849, into harmony with his new point of view, and I feel sure that I am acting in his spirit when I insert in this edition the few changes and additions which are necessary in order to attain this object in all essential point.

Therefore, I say to the reader at once: this pamphlet is not as Marx wrote it in 1849, but approximately as Marx would have written it in 1891. Moreover, so many copies of the original text are in circulation, that these will suffice until I can publish it again unaltered in a complete edition of Marx's works, to appear at some future time.

My alterations centre about one point. According to the original reading, the worker sells his labor for wages, which he receives from the capitalist; according to the present text, he sells his labor-power. And for this change, I must render an explanation: to the workers, in order that they may understand that we are not quibbling or word-juggling, but are dealing here with **one of the most important points in the whole range of political economy**; to the bourgeois, in order that they may convince themselves how greatly the uneducated workers, who can be easily made to grasp the most difficult economic analyses, excel our supercilious "cultured" folk, for whom such ticklish problems remain insoluble their whole life long.

Classical political economy borrowed from the industrial practice the current notion of the manufacturer, that he buys and pays for the labor of his employees. This conception had been quite serviceable for the business purposes of the manufacturer, his bookkeeping and price calculation. But naively carried over into political economy, it there produced truly wonderful errors and confusions.

Political economy finds it an established fact that the prices of all commodities, among them the price of the commodity which it calls "labor", continually change; that they rise and fall in consequence of the most diverse circumstances, which often have no connection whatsoever with the production of the commodities themselves, so that prices appear to be determined, as a rule, by pure chance. As soon, therefore, as political economy stepped forth as a science, it was one of its first tasks to search for the law that hid itself behind this chance, which apparently determined the prices of commodities, and which in reality controlled this very chance. Among the prices of commodities, fluctuating and oscillating, now upward, now downward, the fixed central point was searched for around which these fluctuations and oscillations were taking place. In short, starting from the price of commodities, political economy sought for the value of commodities as the regulating law, by means of which all price fluctuations could be explained, and to which they could all be reduced in the last resort.

And so, classical political economy found that the value of a commodity was determined by the labor incorporated in it and requisite to its production. With this explanation, it was satisfied. And we, too, may, for the present, stop at this point. But, to avoid misconceptions, I will remind the reader that today this explanation has become wholly inadequate. Marx was the first to investigate thoroughly into

the value-forming quality of labor and to discover that not all labor which is apparently, or even really, necessary to the production of a commodity, imparts under all circumstances to this commodity a magnitude of value corresponding to the quantity of labor used up. If, therefore, we say today in short, with economists like Ricardo, that the value of a commodity is determined by the labor necessary to its production, we always imply the reservations and restrictions made by Marx. Thus much for our present purpose; further information can be found in Marx's Critique of Political Economy, which appeared in 1859, and **in the first volume of Capital.**

But, as soon as the economists applied this determination of value by labor to the commodity "labor", they fell from one contradiction into another. How is the value of "labor" determined? By the necessary labor embodied in it. But how much labor is embodied in the labor of a laborer of a day a week, a month, a year. If labor is the measure of all values, we can express the "value of labor" only in labor. But we know absolutely nothing about the value of an hour's labor, if all that we know about it is that it is equal to one hour's labor. So, thereby, we have not advanced one hair's breadth nearer our goal; we are constantly turning about in a circle.

Classical economics, therefore, essayed another turn. It said: the value of a commodity is equal to its cost of production. But, what is the cost of production of "labor"? In order to answer this question, the economists are forced to strain logic just a little. Instead of investigating the cost of production of labor itself, which, unfortunately, cannot be ascertained, they now investigate the cost of production of the laborer. And this latter can be ascertained. It changes according to time and circumstances, but for a given condition of society, in a given locality, and in a given branch of production, it, too, is given, at least within quite narrow limits. We live today under the regime of capitalist production, under which a large and steadily growing class of the population can live only on the condition that it works for the owners of the means of production -- tools, machines, raw materials, and means of subsistence -- in return for wages. On the basis of this mode of production, the laborer's cost of production consists of the sum of the means of subsistence (or their price in money) which on the average are requisite to enable him to work, to maintain in him this capacity for work, and to replace him at his departure, by reason of age, sickness, or death, with another laborer -- that is to say, to propagate the working class in required numbers.

Let us assume that the money price of these means of subsistence averages 3 shillings a day. Our laborer gets, therefore, a daily wage of 3 shillings from his employer. For this, the capitalist lets him work, say, 12 hours a day. Our capitalist, moreover, calculates somewhat in the following fashion: Let us assume that our laborer (a machinist) has to make a part of a machine which he finishes in one day. The raw material (iron and brass in the necessary prepared form) costs 20 shillings.

The consumption of coal by the steam-engine, the wear-and-tear of this engine itself, of the turning-lathe, and of the other tools with which our laborer works, represent, for one day and one laborer, a value of 1 shilling. The wages for one day are, according to our assumption, 3 shillings. This makes a total of 24 shillings for our piece of a machine.

But, the capitalist calculates that, on an average, he will receive for it a price of 27 shillings from his customers, or 3 shillings over and above his outlay.

Whence do the 3 shillings pocketed by the capitalist come? According to the assertion of classical political economy, commodities are in the long run sold at their values, that is, they are sold at prices which correspond to the necessary quantities of labor contained in them. The average price of our part of a machine -- 27 shillings -- would therefore equal its value, i.e., equal the amount of labor embodied in it. But, of these 27 shillings, 21 shillings were values already existing before the machinist began to work; 20 shillings were contained in the raw material, 1 shilling in the fuel consumed during the work and in the machines and tools used in the process and reduced in their efficiency to the value of this amount. There remains 6 shillings, which have been added to the value of the raw material. But, according to the supposition of our economists, themselves, these 6 shillings can arise only from the labor added to the raw material by the laborer. His 12 hours' labor has created, according to this, a new value of 6 shillings. Therefore, the value of his 12 hours' labor would be equivalent to 6 shillings. So we have at last discovered what the "value of labor" is.

"Hold on there!" cries our machinist. "Six shillings? But I have received only 3 shillings! My capitalist swears high and day that the value of my 12 hours' labor is no more than 3 shillings, and if I were to demand 6, he'd laugh at me. What kind of a story is that?"

If before this we got with our value of labor into a vicious circle, we now surely have driven straight into an insoluble contradiction. We searched for the value of labor, and we found more than we can use. For the laborer, the value of the 12 hours' labor is 3 shillings; for the capitalist, it is 6 shillings, of which he pays the workingman 3 shillings as wages, and pockets the remaining 3 shilling himself. According to this, labor has not one but two values, and, moreover, two very different values!

As soon as we reduce the values, now expressed in money, to labor-time, the contradiction becomes even more absurd. By the 12 hours' labor, a new value of 6 shillings is created. Therefore, in 6 hours, the new value created equals 3 shilling -- the amount which the laborer receives for 12 hours' labor. For 12 hours' labor, the workingman receives, as an equivalent, the product of 6 hours' labor. We are, thus, forced to one of two conclusions: either labor has two values, one of which is twice

as large as the other, or 12 equals 6! In both cases, we get pure absurdities. Turn and twist as we may, we will not get out of this contradiction as long as we speak of the buying and selling of "labor" and of the "value of labor". And just so it happened to the political economists. The last offshoot of classical political economy -- the Ricardian school -- was largely wrecked on the insolubility of this contradiction.

Classical political economy had run itself into a blind alley. The man who discovered the way out of this blind alley was Karl Marx.

What the economists had considered as the cost of production of "labor" was really the cost of production, not of "labor", but of the living laborer himself. And what this laborer sold to the capitalist was not his labor.

"So soon as his labor really begins," says Marx, "it ceases to belong to him, and therefore can no longer be sold by him."

At the most, he could sell his future labor -- i.e., assume the obligation of executing a certain piece of work in a certain time. But, in this way, he does not sell labor (which would first have to be performed), but not for a stipulated payment he places his labor-power at the disposal of the capitalist for a certain time (in case of time-wages), or for the performance of a certain task (in case of piece-wages). He hires out or sells his labor-power. But this labor-power has grown up with his person and is inseparable from it. Its cost of production, therefore, coincides with his own cost of production; what the economist called the cost of production of labor is really the cost of production of the laborer, and therewith of his labor-power. And, thus, we can also go back from the cost of production of labor-power to the value of labor-power, and determine the quantity of social labor that is required for the production of a labor-power of a given quantity, as Marx has done in the chapter on "The Buying and Selling of Labor Power". [Capital, Vol.I]

Now what takes place after the worker has sold his labor-power, i.e., after he has placed his labor-power at the disposal of the capitalist for stipulated-wages -- whether time-wages or piece-wages? The capitalist takes the laborer into his workshop or factory, where all the articles required for the work can be found -- raw materials, auxiliary materials (coal, dyestuffs, etc.), tools, and machines. Here, the worker begins to work. His daily wages are, as above, 3 shillings, **and it makes no difference whether he earns them as day-wages or piece-wages.** We again assume that in 12 hours the worker adds by his labor a new value of 6 shillings to the value of the raw materials consumed, which new value the capitalist realizes by the sale of the finished piece of work. Out of this new value, he pays the worker his 3 shillings, and the remaining 3 shillings he keeps for himself. If, now, the laborer creates in 12 hours a value of 6 shilling, in 6 hours he creates a value of 3 shillings. Consequently, after working 6 hours for the capitalist, the laborer has returned to him the equivalent of the 3 shillings received as wages. After 6 hours' work, both are quits, neither one owing a penny to the other.

"Hold on there!" now cries out the capitalist. "I have hired the laborer for a whole day, for 12 hours. But 6 hours are only half-a-day. So work along lively there until the other 6 hours are at an end -- only then will we be even." And, in fact, the laborer has to submit to the conditions of the contract upon which he entered of "his own free will", and according to which he bound himself to work 12 whole hours for a product of labor which cost only 6 hours' labor.

Similarly with piece-wages. Let us suppose that in 12 hours our worker makes 12 commodities. Each of these costs a shilling in raw materials and wear-and-tear, and is sold for 2.5 shillings. On our former assumption, the capitalist gives the laborer .25 of a shilling for each piece, which makes a total of 3 shillings for 12 pieces. To earn this, the worker requires 12 hours. The capitalist receives 30 shillings for the 12 pieces; deducting 24 shillings for raw materials and wear-and-tear, there remains 6 shillings, of which he pays 3 shillings in wages and pockets the remaining 3. Just as before! Here, also, the worker labors 6 hours for himself -- i.e., to replace his wages (half-an-hour in each of the 12 hours), and 6 hours for the capitalist.

The rock upon which the best economists were stranded, as long as they started out from the value of labor, vanishes as soon as we make our starting-point the value of labor-power. Labor-power is, in our present-day capitalist society, a commodity like every other commodity, but yet a very peculiar commodity. It has, namely, the peculiarity of being a value-creating force, the source of value, and, moreover, when properly treated, the source of more value than it possesses itself. In the present state of production, human labor-power not only produces in a day a greater value than it itself possesses and costs; but with each new scientific discovery, with each new technical invention, there also rises the surplus of its daily production over its daily cost, while as a consequence there diminishes that part of the working-day in which the laborer produces the equivalent of his day's wages, and, on the other hand, lengthens that part of the working-day in which he must present labor gratis to the capitalist.

And this is the economic constitution of our entire modern society: the working class alone produces all values. For value is only another expression for labor, that expression, namely, by which is designated, in our capitalist society of today, the amount of socially necessary labor embodied in a particular commodity. But, these values produced by the workers do not belong to the workers. They belong to the owners of the raw materials, machines, tools, and money, which enable them to buy the labor-power of the working class. Hence, the working class gets back only a part of the entire mass of products produced by it. And, as we have just seen, the other portion, which the capitalist class retains, and which it has to share, at most, only with the landlord class, is increasing with every new discovery and invention, while the share which falls to the working class (per capita) rises but little and very slowly, or not at all, and under certain conditions it may even fall.

But, these discoveries and inventions which supplant one another with ever-increasing speed, this productiveness of human labor which increases from day to day to unheard-of proportions, at last gives rise to a conflict, in which present capitalistic economy must go to ruin. On the one hand, immeasurable wealth and a superfluity of products with which the buyers cannot cope. On the other hand, the great mass of society proletarianized, transformed into wage-laborers, and thereby disabled from appropriating to themselves that superfluity of products. The splitting up of society into a small class, immoderately rich, and a large class of wage-laborers devoid of all property, brings it about that this society smothers in its own superfluity, while the great majority of its members are scarcely, or not at all, protected from extreme want.

This condition becomes every day more absurd and more unnecessary. It must be gotten rid of; it can be gotten rid of. A new social order is possible, in which the class differences of today will have disappeared, and in which -- perhaps after a short transition period, which, though somewhat deficient in other respects, will in any case be very useful morally -- there will be the means of life, of the enjoyment of life, and of the development and activity of all bodily and mental faculties, through the systematic use and further development of the enormous productive powers of society, which exists with us even now, with equal obligation upon all to work. And that the workers are growing ever more determined to achieve this new social order will be proven on both sides of the ocean on this dawning May Day, and on Sunday, May 3rd.

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